



DURHAM CITY-COUNTY INSPECTIONS DEPARTMENT



Memorandum

Date: April 18, 2011

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: William E. (Gene) Bradham, Director of City-County Inspections

Subject: City-County Inspections Permit Fee Increase

Executive Summary: The Durham City-County Inspections Department strives to maintain a fee schedule that is designed to help recover the cost associated with performing the required State mandated inspections. Analysis is done to determine the specific trade permit fees that are not recovering the cost associated with the required work to perform the inspections. The proposed fee increases are primarily for residential construction for the building, plumbing and mechanical trades and sign permits. With the increase in fees, Durham would still be in line with the peer cities listed on the recommended benchmarking memo report approved by City Council, as well as the fees charged by the local surrounding jurisdictions.

Recommendation: Staff recommends adoption of an amendment to the City-County Inspections Permit Fee Ordinance.

Background: The last actual building permit fee increase was approved in July 2000 (almost eleven years ago). The previous increase before the July 2000 one was eleven years prior to that date (1989). The last fee increase for residential new one and two-family mechanical and plumbing permit fees was in July 2000 also. The Inspections Department has implemented numerous efficiency/productivity measures that have enabled us to more effectively use our resources, thereby limiting the number of fee increases over the last 22 years. These practices have enabled us to go from a combined 55 employees in the separate City and County Inspections Departments prior to the merger in 1993, to a current budget of 36 funded employees, while the construction activity (permits issued) on the average over the years since the merger has increased. The actual number of inspections per

permit for building has increased due to mandated changes in the Building Code, resulting in an actual work load increase per permit.

The Inspections Department is sensitive to the economic situation, and believes that the proposed fee increases will help provide for the cost of the State mandated inspections, while at the same time allowing for the continuation of the customer service levels that have been the trademark of the City-County Inspections Department.

The fee schedule change is being brought forward for adoption by the City Council. Consideration of the fee schedule change by the County Board of Commissioners is scheduled for May 23, 2011. A copy of the fee comparisons to the peer cities is attached to this memorandum.

Issues/Analysis: Adoption of the fee schedule change is important to the Department's ability to cover the cost of the required inspections.

Alternatives: The City Council could decline to approve the proposed fee schedule, or could make additional changes to the fee schedule.

Financial Impact: Failure to approve the fee schedule could result in the Department not being able to recover the cost of providing the State mandated inspections. It is anticipated that the proposed fee schedule could generate approximately \$120,000 in additional permit revenues.

SDBE Summary: Not applicable to this item.

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Attachments: Fee Comparison Document
Proposed Fee Schedule